

26 August 2022

NEW ZEALAND OIL & GAS ANNUAL RESULT FOR THE YEAR TO 30 JUNE 2022 - GROWTH PROJECTS DELIVER

- Net profit after tax of NZ\$25.7 million, up from a loss of NZ\$43.3 million last year.
- Annual production up 110% to 1.2 million barrels of oil equivalent.
- Revenue up 133% year on year to NZ\$83.8 million.
- Five wells drilled in FY22.
- Acquisition of Amadeus Basin assets provides entry into the strong Australian gas market.
- Growth set to continue in FY23 with up to six well recompletions and two development wells at Mereenie and 10 wells planned for Mahato.

HIGHEST NET PROFIT AFTER TAX FOR SEVEN YEARS

Strong performance from new producing assets and higher gas, oil and LPG prices contributed to a net profit after tax (**NPAT**) of NZ\$25.7 million for New Zealand Oil & Gas in the year to 30 June 2022, up NZ\$69.0 million, from a loss of NZ\$43.3 million a year ago. The NPAT for the year attributable to New Zealand Oil & Gas shareholders was NZ\$17.2 million, or 9.9 NZ cents per share. The result includes nine months contribution from the new Amadeus Basin assets acquired during the financial year.

This is the Group's highest reported NPAT since 2017.

Results summary	FY22	FY21	Change
Production (mboe)	1,248.6	593.4	110%
Revenue (NZ\$ million)	83.8	36.0	133%
NPAT (NZ\$ million)	25.7	(43.3)	159%

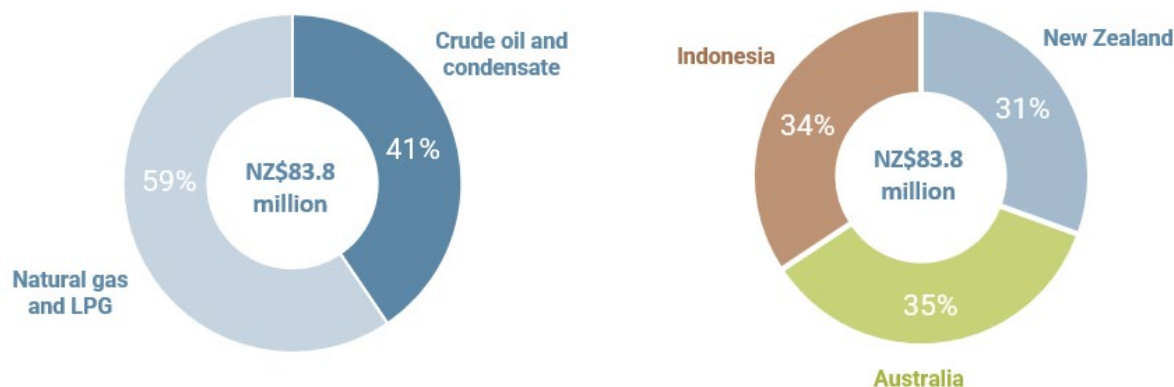
REVENUES UP 133%

Revenue for the year increased 133% to NZ\$83.8 million, up from NZ\$36.0 million a year ago. The main contributors were the newly acquired interests in the Amadeus Basin in Australia's Northern Territory, new production from the Mahato field in Indonesia, higher oil prices for Maari and Mahato and continued strong sales performance from Kupe.

New Zealand Oil & Gas subsidiary, Cue Energy Resources (ASX:CUE), contributed NZ\$47.6 million to revenue*.

*New Zealand Oil & Gas has a 50.04% interest in Cue. Cue's full interest is shown.

During the year, the Group derived 41% of revenue from oil and condensate sales, which benefitted from high Brent benchmark prices, and 59% from gas and LPG sales, with an average realised sales price of NZ\$141 per barrel of oil and average gas price (including LPG) of NZ\$8.3 per GJ.



PRODUCTION UP 110% FROM PRIOR YEAR

Production at the Kupe gas fields in Taranaki, New Zealand, where New Zealand Oil & Gas has a 4 per cent interest, improved following an inlet compression project and revenue increased 32% to NZ\$15.7 million, up from NZ\$11.9 million last year.

Production has increased due to the nine months of Amadeus Basin contribution and additional Mahato production wells being successfully brought online.

DRILLING ACTIVITIES

Exploration drilling began in the Amadeus Basin, drilling costs included a carry for the operator, Central Petroleum, agreed as part of the acquisition. Net profit after tax includes NZ\$6.0 million of exploration costs relating to the expensing of unsuccessful exploration in the Amadeus Basin relating to the Palm Valley 12 (PV-12) well. We expect a further NZ\$4.6 million will be expensed in the next financial year.

Commencement of the next phase of development drilling in the Mahato field onshore Sumatra, Indonesia is proceeding at approximately a well per month, which has pushed field production back over 5,500 barrels of oil per day.

HEALTHY CASH BALANCE FOR FUTURE DEVELOPMENTS

The Group had NZ\$64.6 million of cash at 30 June 2022, down from NZ\$70.8 million at the end of the previous year.

This cash will be invested to further grow and develop producing assets in the coming financial year as shown in the table below. In New Zealand this will include a final investment decision (**FID**) on the Kupe development well and further in-well work at Maari, both aimed at boosting production rates and adding reserves.

In Australia, the Amadeus Basin Joint Ventures (**JV**) is progressing plans for multiple re-completions and is reviewing the potential for additional infill wells at the Mereenie field, aiming to boost production; at Palm Valley the JV expects to hook up the PV-12 well (in the Pacoota P1 formation) and will continue to review the potential for additional infill wells. These activities are aimed at keeping infrastructure full and selling into the high-demand gas markets in the East Coast of Australia.

Finally in Indonesia, 10 more oil production wells are planned for the northern extent of the Mahato field, with the potential to double production. At the Sampang PSC, the JV expects to make a final investment decision on the Paus Biru discovery during FY23, targeting first gas for early 2025.

The activities for the remainder of FY23 are set out below and are in addition to the Group's search for acquisition opportunities.

Expected Group activities for FY23											
Quarter	Q1		Q2			Q3			Q4		
Month	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Amadeus Basin	PV-12 Well (1)		Mereenie Well Rec Completions (2)			Mereenie Development Wells (2)					
Kupe			Kupe well FID								
Mahato PSC	Development wells 10 production + 2 injection										
Sampang PSC	Paus Biru FID(2)										

CHIEF EXECUTIVE ANDREW JEFFERIES SAYS RESULTS HAVE EXCEEDED EXPECTATIONS:

“An excellent result for New Zealand Oil & Gas demonstrating the value of our focus on value accretive growth. The major acquisition in Australia, support for Cue’s assets in Indonesia, and optimisation of Kupe in New Zealand, have moved our bottom line significantly.

“We recorded our first profit in four years, delivered 133% revenue growth year on year and have a full slate of exciting development activities planned for FY23 that will help us continue growing production.

“We are fortunate that our strong increased production coincided with the oil and gas prices rising due to ravenous global demand. Commodity prices are high and it’s hard to see them coming off anytime soon.

“In the past year our shareholders supported us raising capital, enabling growth to continue. Our primary listing was moved to the ASX to access additional investor support in the oil and gas sector.

“In every region where we are active, demand for oil and gas is strong and we have development activities planned to meet that demand. Gas is proving to be crucial for security through the energy transition. Renewable energy may struggle to meet demand without gas back-up. We are happy to play our role in the transition, delivering energy that powers industry, enables families to enjoy warm homes and hot showers, as well as barbequing our Tasmanian salmon.”

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